

Message Text

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45

ACTION EB-07

INFO OCT-01 NEA-10 ISO-00 ERDA-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 FEAE-00 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06

SAM-01 OES-03 SP-02 SS-15 STR-04 TRSE-00 PA-01 PRS-01

EUR-12 IO-11 /114 W

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R 151242Z MAR 76

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC 4902

INFO AMEMBASSY DACCA

AMEMBASSY ISLAMABAD

AMEMBASSY NEW DELHI

LIMITED OFFICIAL USE KUWAIT 1242

E.O. 11652: N/A

TAGS: ENRG, KU

SUBJECT: KNPC SALES AGREEMENT WITH PAKISTAN BUT INDIAN
DEAL NOT CONCLUDED

REF: KUWAIT 0659

1. BEGIN UNCLASSIFIED. LOCAL PAPERS REPORTED LAST WEEK
THAT SALES AGREEMENT WAS OFFICIALLY ANNOUNCED WHEREBY
KUWAIT NATIONAL PETROLEUM COMPANY WILL SUPPLY PAKISTAN
WITH 800,000 TONS OF REFINED PETROLEUM PRODUCTS PER YEAR
FOR FIVE YEARS. DETAILS OF AGREEMENT HAVE NOT BEEN MADE
PUBLIC, BUT IT IS THOUGHT THAT REFINED PRODUCTS WILL BE
SUPPLIED AT NORMAL MARKET PRICES.

2. PAPERS ALSO REPORTED THAT OFFICIAL INDIAN DELEGATION
WHOSE VISIT CLOSELY FOLLOWED THAT OF PAKISTANIS FAILED
TO REACH AGREEMENT WITH GOK. INDIAN TEAM WAS LED BY
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UNDER-SECRETARY OF INDIAN MINISTRY OF OIL VORA AND

DURING FOUR DAY VISIT HERE, GOI GROUP HAD HOPED TO SIGN OIL SUPPLY AGREEMENT. PRESS REPORTS INDICATE THAT INDIANS PROPOSED THREE-YEAR ARRANGEMENT WHICH GOK STILL STUDYING. END UNCLASSIFIED.

3. BEGIN LIMITED OFFICIAL USE. COMMENT: WE DO NOT KNOW WHAT SNAG DEVELOPED BETWEEN INDIANS AND KUWAITIS. AS NOTED IN REFTTEL, KNPC OFFICIALS UNDERSTOOD THAT AGREEMENT WITH INDIANS WAS ALL BUT COMPLETE. MOREOVER, DEAL WAS SIGNIFICANT BECAUSE INDIANS WOULD HAVE TAKEN HEAVIER PRODUCTS THAT ARE NOT PRESENTLY IN HIGH DEMAND. WE SUSPECT INDIANS SOUGHT CONCESSIONS ON PRICE WHICH KNPC/ GOK UNWILLING TO GIVE, BUT POSSIBILITY REMAINS THAT DEAL MAY BE CONCLUDED EVENTUALLY. MEANWHILE, DEAL WITH PAKISTAN IS LATEST TO BE REACHED BY KNPC, AND WE HAVE BEGUN TO HEAR THAT COMPANY HAS COMMITTED MUCH, IF NOT ALL, OF ITS 1976 PRODUCTION. THIS SUGGESTS THAT IT WILL BE FAIRLY FIRM ON PRICES TO OTHERS INCLUDING TO COUNTRIES LIKE INDIA AND BANGLADESH SINCE COMPANY FEELS ITSELF TO BE IN STRONG BARGAINING POSITION.
MAU

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Message Attributes

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Disposition Authority: saccheem
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Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Margaret P. Grafeld
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EO Systematic Review
04 MAY 2006

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